

**BEFORE THE INSURANCE COMMISSIONER
OF THE STATE OF CALIFORNIA**

In the Matters of

DENT DEFENSE GROUP, INC.,
D.B.A. ULTIMATEDENT.NET,

CALIFORNIA STATE
AUTOMOBILE ASSOCIATION,

MITCHELL BUICH,

and

MICHAEL P. GHIORSO,

Respondents.

STIPULATION AND WAIVER

File No's.

DISP-2007-00069

OSC-2008-00002

CD-2008-00003

CD-2008-00004

TO THE DEPARTMENT OF INSURANCE OF THE STATE OF CALIFORNIA:

Respondents, having fully reviewed the allegations set forth in the Order to Show Cause in this matter ("OSC"), and having conferred with their below undersigned counsel, enter into this stipulation and waiver as a means of achieving a full and final resolution and settlement of these matters.

1. Without admitting any allegation contained in the OSC, Respondents wish to resolve the allegations raised in the OSC without the need for a hearing and without the need for further administrative action, except as set forth herein.
2. Respondents waive their right to a hearing on the OSC, and all other due process rights that may be accorded to them by the California Administrative Procedure Act (Sections 11500-11528 of the Government Code), California Insurance Code, California Constitution, United States Constitution, and every other statute, case and regulation with respect to this OSC.
3. Respondents agree that in any future disciplinary action by the Commissioner, whether related to a violation that occurred before this settlement, or a violation that occurs after

this settlement, the Commissioner may refer to this settlement for any purpose, including to enhance a penalty arising out of a subsequent disciplinary action.

4. Respondents waive all rights of review arising out of this action, including review of this stipulation and waiver and the Order implementing it, including but not limited to an application to modify or rescind the Order, a petition for rehearing, writ of administrative mandamus, or any other judicial or administrative review or any other right or ability they may have to seek to have this stipulation and waiver modified or set aside on any grounds whatsoever. This stipulation and waiver does not extend to any future proceedings or actions brought by the Commissioner. Nor does this stipulation and waiver extend to parties other than the Commissioner and the Department.

5. Respondents acknowledge that this stipulation and waiver is a public record pursuant to Government Code §11517(e), and will be accessible to the public pursuant to the Public Records Act, Government Code §6250 *et seq.* This stipulation and waiver and the Order adopting it will be posted on the Department's web site as required by California Insurance Code section 12968.

6. Respondents and the Department agree that this stipulation and waiver constitutes the entire agreement between the parties with respect to this matter. The terms of this stipulation and waiver cannot be amended except in writing, signed by all the parties.

7. Respondents acknowledge that California Insurance Code section 12921 requires the Insurance Commissioner to approve the final settlement of this matter. Both the settlement terms and conditions contained herein and the acceptance of those terms and conditions are contingent upon the Commissioner's approval.

8. Respondents agree that any application by respondent Dent Defense Group, Inc. ("Dent Defense"), or by any entity in which Mitchell Buich or Michael Ghiorso is a controlling person as defined in section 1668.5(b), for an unrestricted license of any type, will be denied, and that if any license is issued, it will be a restricted license instead, pursuant to section 1742, and subject to the conditions that the licensee will obey all applicable laws and comply with this stipulation and waiver, and that the license will remain on a restricted status for at least 10 (ten)

years from the date of issuance. This provision shall not be interpreted to require the Department to issue a restricted license if the Commissioner, after notice and hearing, determines that grounds other than those recited in the OSC in this matter exist to deny even a restricted license.

9. Respondents agree that any restricted license issued to respondent Dent Defense, or to any entity in which Buich or Ghiorso is a controlling person as defined in section 1668.5(b), will remain subject to the conditions and restrictions set forth above until the Commissioner shall, by written order, remove or modify those conditions and restrictions. The conditions and restrictions shall apply to said licenses and any renewal thereof, whether or not actually endorsed on the license. Ten years from the date a restricted license is issued, upon petition, the Commissioner will remove the restrictions, unless the Department determines that during that period the licensee violated any law or regulation, or unless the Department has evidence that the licensee has, since the imposition of the restricted license, violated a term of this stipulation and waiver, in which case the Department may extend the restricted license for the time necessary to investigate the violation and conclude an enforcement action.

10. Respondents Dent Defense, Buich and Ghiorso, without any admission of liability, agree to pay \$60,000.00, jointly and severally, as a monetary penalty in settlement of their potential liability under section 12921.8(a)(3).

11. Respondent California State Automobile Association, without any admission of liability, agrees to pay \$10,000.00 as a monetary penalty in settlement of its potential liability under section 12921.8(a)(3). It further agrees not to accept any compensation, directly or indirectly, from Dent Defense, Buich or Ghiorso, as reimbursement for that penalty.

12. All Respondents, without any admission of liability, agree to pay \$10,000.00, jointly and severally, to reimburse the Commissioner for his costs in investigating and prosecuting this matter, pursuant to Insurance Code section 1748.

13. This stipulation and waiver resolves and settles all acts alleged in the OSC up to the date of this stipulation and waiver, and the Commissioner releases the Respondents from any and all claims based upon and arising out of the acts alleged in the OSC, except as otherwise provided by this stipulation and waiver.

IT IS SO STIPULATED:

Dated:

Mitchell Buich for
Dent Defense Group, Inc., dba
UltimateDent.net

Dated:

Mitchell Buich

Dated:

6/2/2008



Michael Ghiorso

Dated:

Dwight Ku for California State Automobile Association

Dated:

Jon Tomasheff, Esq.
Senior Staff Counsel
California Department of Insurance

APPROVED AS TO FORM:



Jeffrey L. Phillips, Luce, Forward, Attorneys for
Dent Defense Inc. and Mitchell Buich



Roger Patton, Attorney for Michael Ghiorso

Dwight Ku, Attorney for California State
Automobile Association

IT IS SO STIPULATED:

Dated:



Mitchell Buich for
Dent Defense Group, Inc., dba
UltimateDent.net

Dated:



Mitchell Buich

Dated:

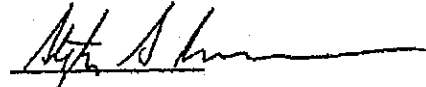
6/2/2008



Michael Ghiorso

Dated:

6/5/2008

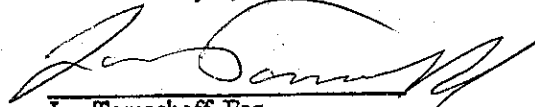


~~Dwight Ku~~ for California State Automobile Association

STEPHEN SUMNER

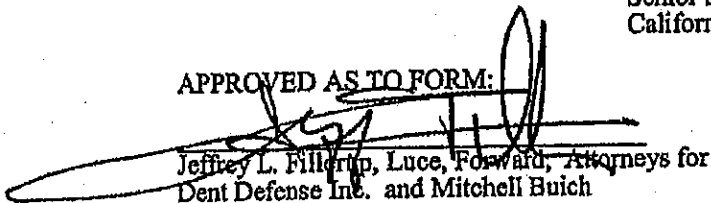
Dated:

7/1/08



Jon Tomashoff, Esq.
Senior Staff Counsel
California Department of Insurance

APPROVED AS TO FORM:



Jeffrey L. Fillard, Luce, Forward, Attorneys for
Dent Defense Inc. and Mitchell Buich

Roger Patton, Attorney for Michael Ghiorso



Dwight Ku, Attorney for California State
Automobile Association